

NORDIC IRON ORE AB

Restarting an old mine in a sustainable way
using modern technology

A SWEDISH MINE DEVELOPMENT COMPANY

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LUDVIKA MINES -THE VISION

- Mining project in three phases
 - Phase 1 =1.6Mt/y high grade concentrate
 - Fully developed 4-5 Mt/y
- Pellet production in JVC
- Sponge iron in separate JVC
 - High value product with local market



BACKGROUND TO THE PROJECT

MARKET OPPORTUNITY

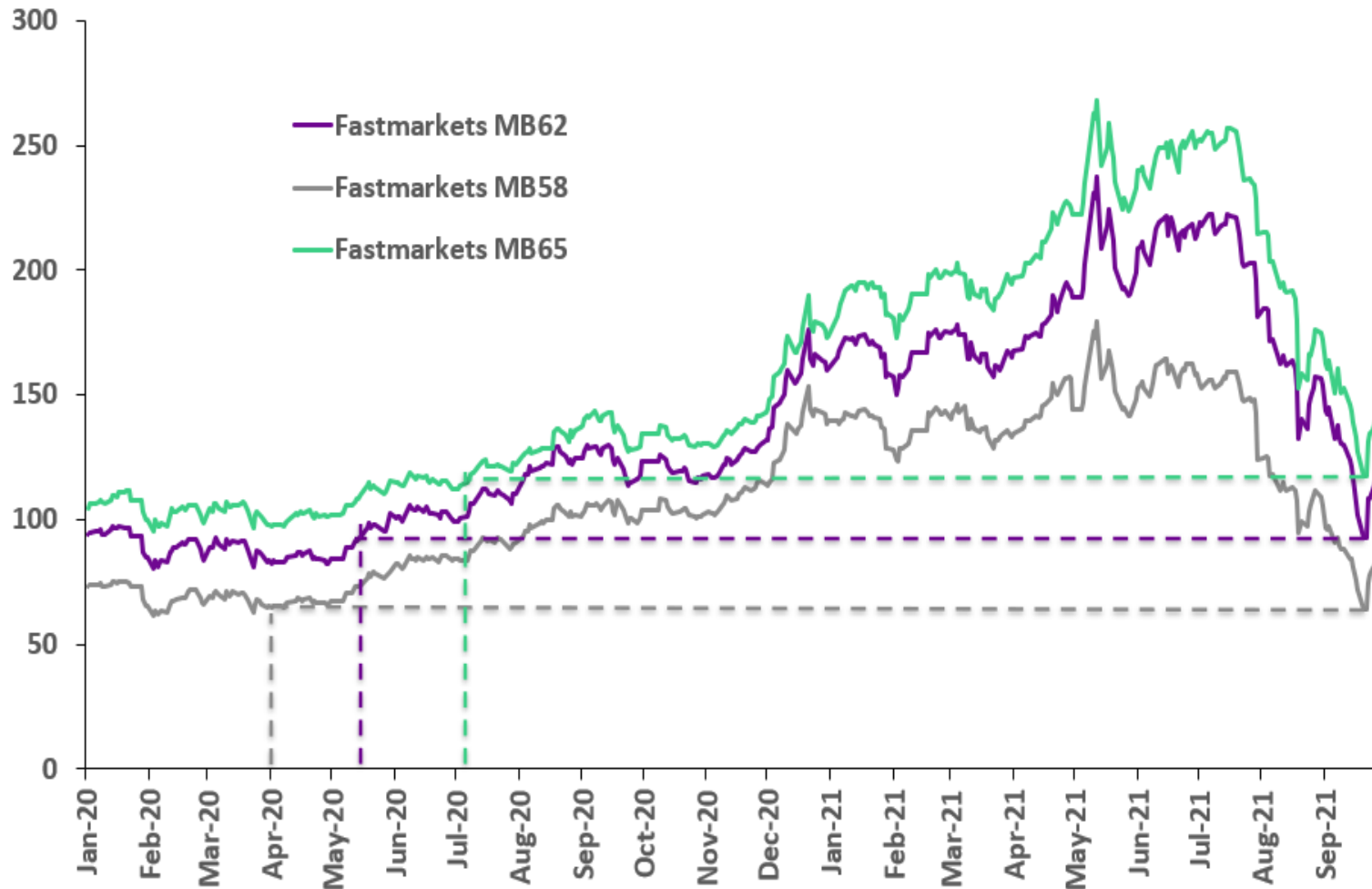
Steelmaking affects the
environment

Using high grade ore
reduces pollution from
steelmaking

MARKET OUTLOOK: IRON ORE PRICE & PREMIUMS

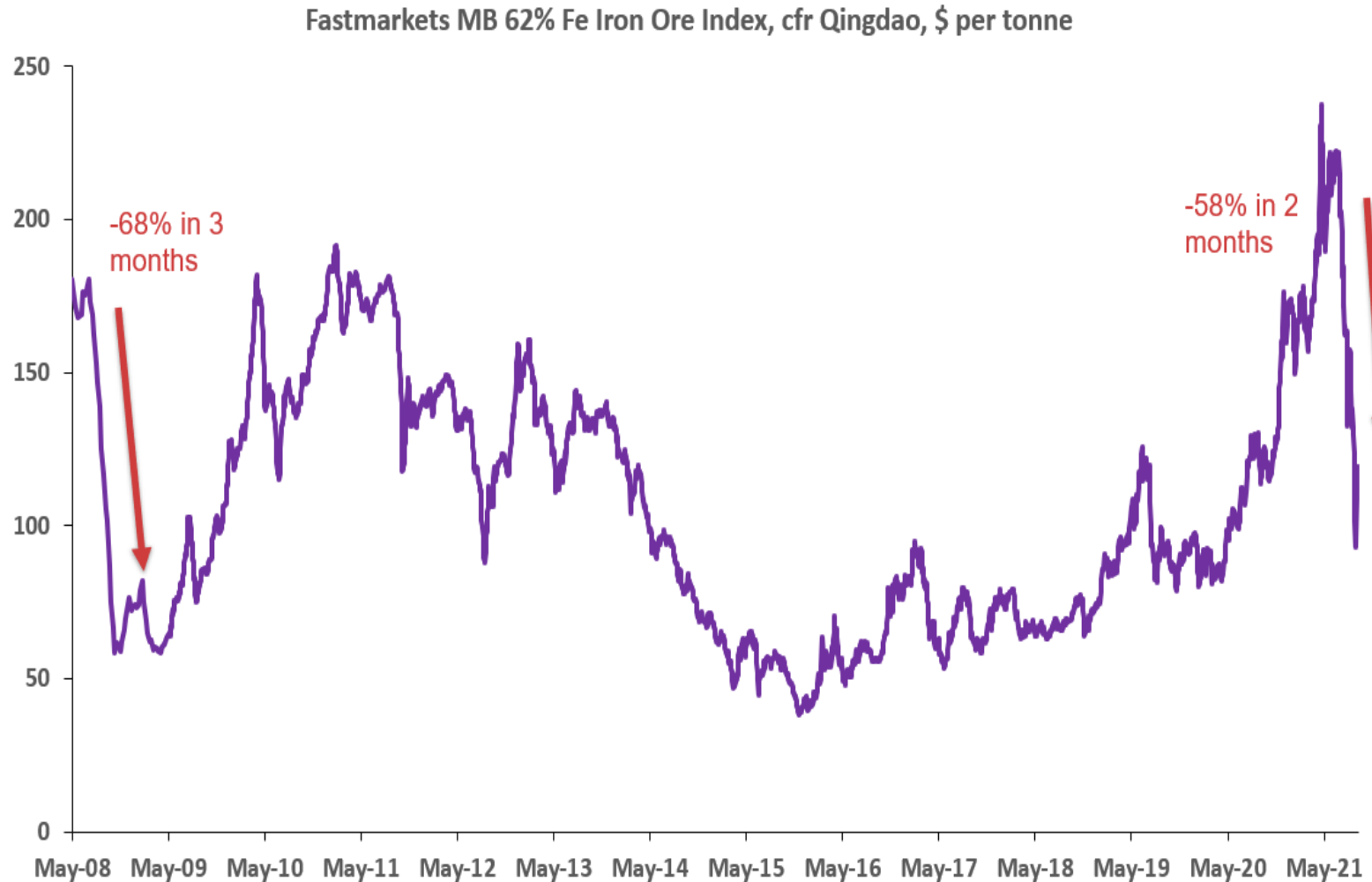
High grade iron in high demand – low grade losing out

Prices for higher-grades have remained more resilient during the sell-off



MARKET OUTLOOK: VOLATILITY

Chinese directives and output volatility combined



BACKGROUND

SUSTAINABLE STEEL PRODUCTS START WITH SUSTAINABLE IRON ORE MINING



NIO HAVE GOOD PARTNERS TO BECOME A SUSTAINABLE MINE





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ABB provides automation and electrification planning for new mine in Sweden

Press release | Vasteras, Sweden | 2021-08-26

Nordic Iron Ore appointed ABB to scope process control and management systems for a future-proof and fully-digitalized mining operation at the Blötberget iron ore mine

Global technology company ABB has provided mine design consultancy and recommended scope of supply for the opening of the former Blötberget mine near Ludvika in the Dalarna region of Sweden. The mine, which has been closed since 1979, is being redeveloped by mining company Nordic Iron Ore and is transitioning from study phase towards construction.

ABB's recommendation addresses automation, digitalization and electrification for long-term, safe, sustainable and efficient mining operations at the site. The technology provider analyzed a Detailed Feasibility Study by Nordic Iron Ore and has made a significant advancement on the definitions and scope of supply of the automation and electrification aspects of the mine.

In planning mine design, ABB draws on its comprehensive ABB Ability™ MineOptimize portfolio of electrification and automation solutions, engineering, digital applications and collaborative services. ABB Ability™ MineOptimize integrates individual mining solutions into a secure and structured plant-wide system to optimize all stages in the lifecycle – from



Nordic Iron Ore and Epiroc Sweden AB sign MoU

Nordic Iron Ore AB and Epiroc Sweden have signed a letter of intent (MoU) regarding cooperation to develop the mining project in Blötberget.

Epiroc is a Swedish world-leading company in mining equipment and services. The company uses the latest technology to develop and produce innovative, safe and sustainable products and solutions for the mining industry.

- It is very positive that we have formalized the collaboration with such a reputable company as Epiroc. For us, it is very valuable to have a close collaboration when we design the mine in Blötberget, which will be a modern mine deploying the latest technologies, where high productivity and safety and long-term sustainability are very important factors, says Nordic Iron Ore's CEO Lennart Eliasson.

- We are very much looking forward to continuing the close collaboration with Nordic Iron Ore and that we get the opportunity to offer the most sustainable and productive solutions for the mining project, says Lars Senf at Epiroc Sweden AB

WE ARE 100 % COMMITTED TO SUSTAINABLE AND GREEN MINING



High grade ore
(between 66.5 and
70.5%Fe products)

- Higher iron content leads to less emissions in steelmaking



Tailings

- Inert tailings



Underground mine

- Reduces environmental footprint



Electricfication of asset
fleet

- Secured access to clean energy



Compliant to strict
regulations by Swedish
authorities

- Strict Swedish legislation for environmental and worker safety



NIO aims to be
compliant with ISO
14001

- Designed to minimize impact on the environment

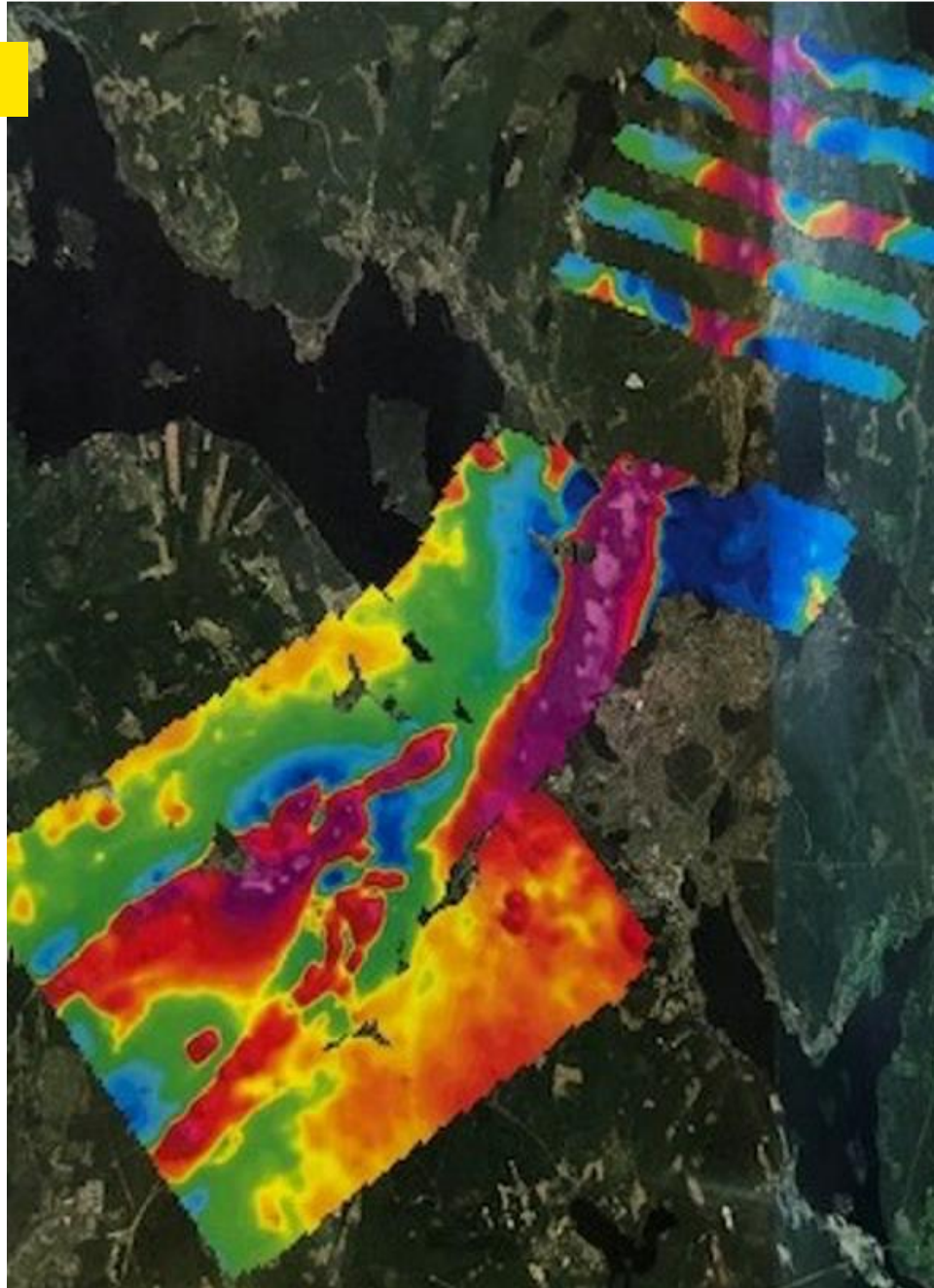
EU-SPONSORED RESEARCH PROJECTS

NIO partner in international research programs

Non invasive exploration techniques tested

Confirm measured and indicated resources

Indicate where further drilling is warranted

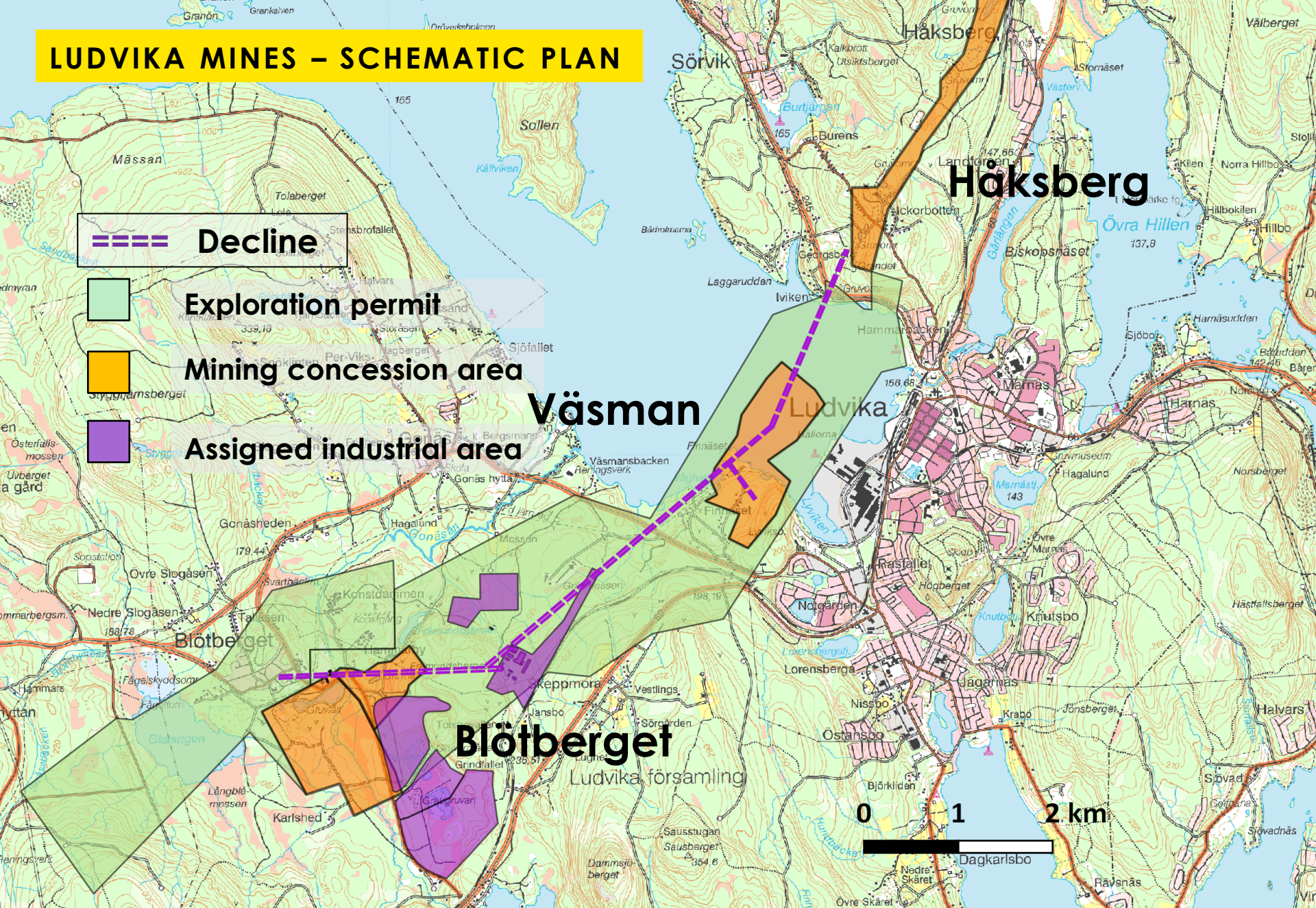




THE PROJECT – LUDVIKA MINES

- **Resume** operations at **Ludvika Mines**
- **Modern**, effective and environmentally friendly **mining**
- **Super high grade** iron ore products suitable for carbonless steelmaking
- Development in **three phases** creating an **integrated mining district** of profitable mines utilising common infrastructure and industrial areas
- **First phase fully permitted** aiming at average 1.6 Mt/y over life of mine

LUDVIKA MINES – SCHEMATIC PLAN



Logistics

Mine located next to high capacity national rail system with access to dry bulk cargo port – key cost competitive advantage

Cooperation agreement with the Swedish Transport Administration signed

The Swedish state has invested to refurbish the railway, de-bottlenecking the system

Capacity of 1.5 Mtpa available on the rail to Oxelösund (according to the Swedish Transport Administration)

Letter of intent signed with Rail Cargo as potential international operator utilising cost effective and flexible containers from Innofreight

Letter of intent signed with Oxelösund port

Oxelösund port / Innofreight rail cars



**Potential
operators/partners**



innofreight

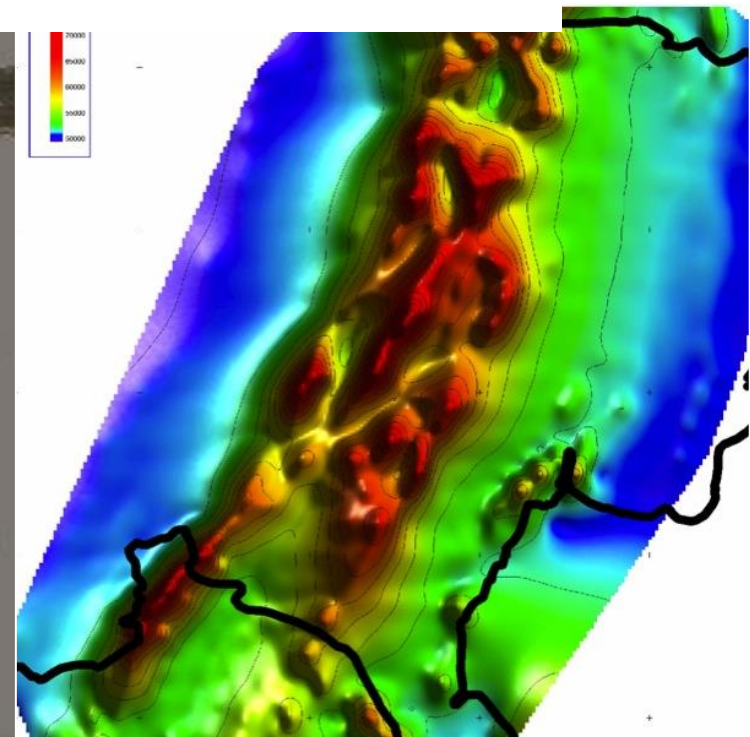
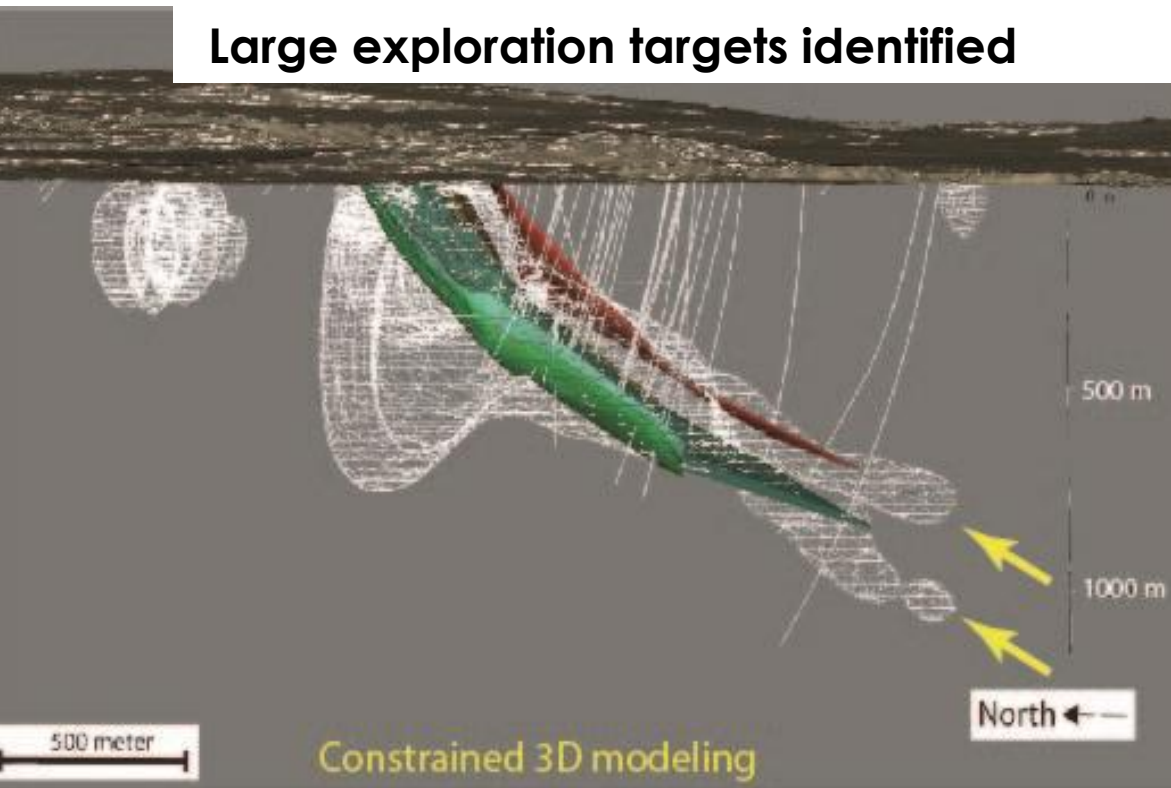
Rail Cargo Group
Member of ÖBB

MINERAL RESOURCES

MINERAL RESOURCES

PROJECT	MEASURED		INDICATED		INFERRED		CLASSIFICATION
	MT	% FE	MT	% FE	MT	% FE	ACCORDING TO
Blötberget	45.4	41.7	9.6	36.2	11.8	36.1	JORC 2012
Håksberg	–	–	25.4	36.4	11.6	36.0	JORC
Väsman			7	38.5	85.9	38.4	JORC

Large exploration targets identified



BLÖTBERGET - FIRST PHASE OF THREE



**Mining concession
granted**



**Environmental permit
granted**



**DFS confirm project
soundness**



**Optimisation study
completed**



Detailed engineering



**Organisational
build-up**



**Project finance
secured**



Construction

Whittle Consulting conducted an optimisation study based upon the DFS and the assumptions made there, including pre-production **CAPEX** estimated at **USD 255 million**.

- Improved mine scheduling and optimising the concentrator increased **IRR to 21.2%** and **NPV to 172 MUSD**
- A further step of the optimisation study analysed alternative options and scenarios resulting in NPV from **169** to **250 MUSD**.
- Output of the mine increased from 1.3 Mt/y to over 1.6 Mt/y average
- **Cash cost** estimated at **USD 52/tonne**

IMPLEMENTATION TIME PLAN 2022–2024

Dewatering the mine and main decline development take approx. one year, but can be done in parallel

2022

Prepare construction and secure equity and project finance for construction

Construction



2023

Construction



2024

Construction

Production





PHASES 2 AND 3

OVERVIEW OF VÄSMAN

A long known very large expansion potential

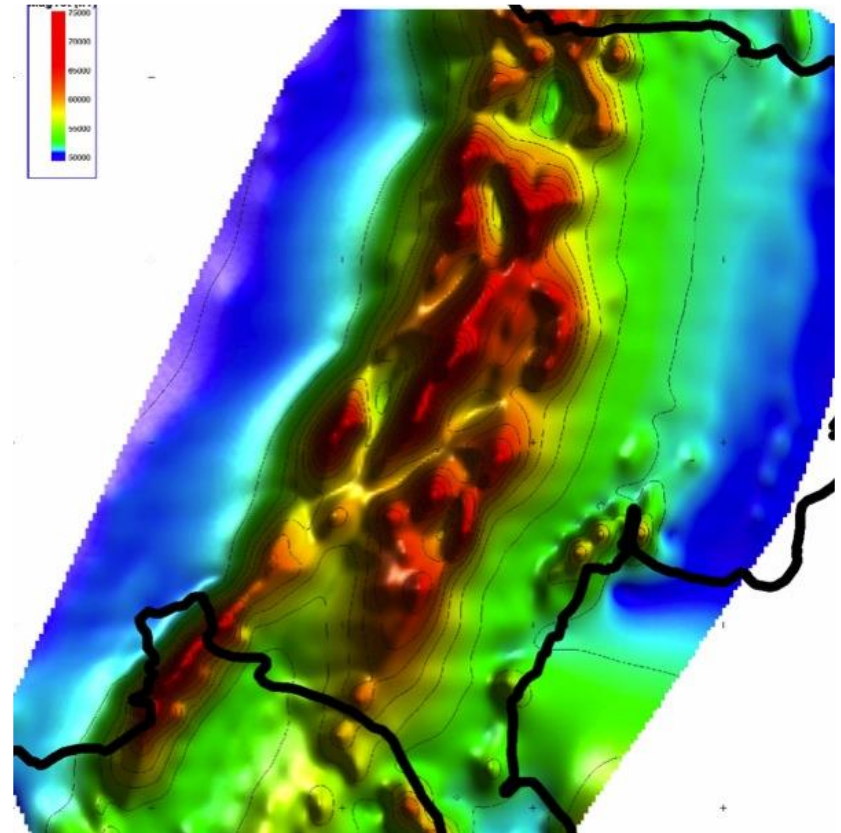
Project description

- Väsman is a continuation southwards of the iron mineralisation in the Håksberg field
- Nordic Iron Ore performed a confirmation drilling program in 2012
- Mining concession granted 2017 for south Väsman
- New low level magnetics survey by SGU in 2018
- Conceptual study by SRK completed in November 2019

Next steps

- Continued exploration – upgrade resource
- Metallurgical tests
- Application for environmental permit

Magnetic field map



Mining under lakes is common, made possible by modern geotechnical techniques

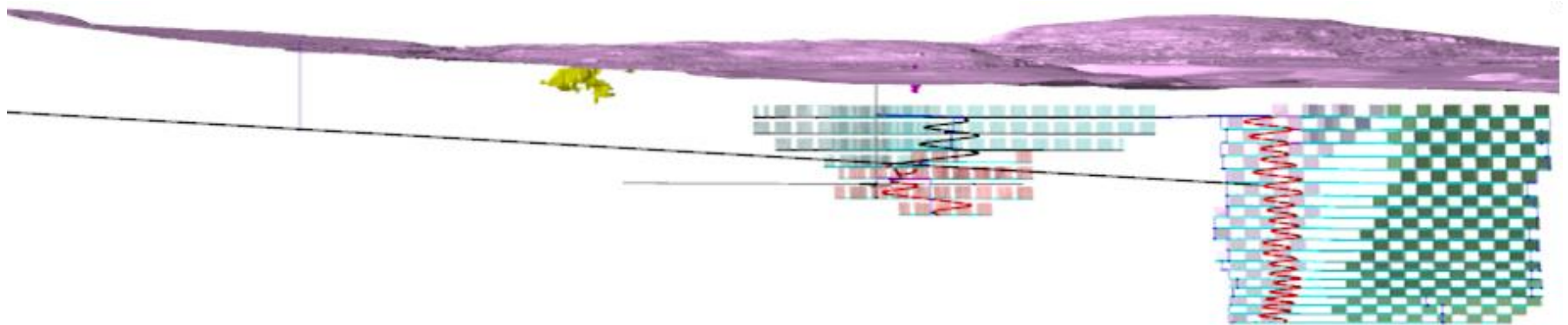
VÄSMAN SCOPING STUDY – EXITING EXPANSION POTENTIAL

- Significant synergies with Blötberget
- Scoping study by SRK 2019*:
 - Estimated production: 3.4 Mt per year
 - Life of mine: 7 years
 - Estimated NPV: 690 MSEK

Mineral resource (JORC) – Väsman south

Mt	Tonnage (Mt)	Grade
Indicated	7.0	38.5 %
Inferred	85.9	38.4 %
Total	92.9	38.4 %

* Limited to South Väsman



OVERVIEW OF HÅKSBERG

- Mining concession 2011
- Environmental permit 2014
- Resource open to depth
- Historic "cut-off grade"
~30 % (much left to mine)

Next steps

- Drill program for southern part of Håksberg, linking the mine with the Väsman field
- Metallurgical tests

FROM AN ABANDONED MINING FACILITY...



...TO A MODERN MINING OPERATION



WHY INVEST IN NORDIC IRON ORE?

- DFS and optimisation study show **good commercial potential**
- Very **low execution risk** due to:
 - ✓ All necessary permits in place
 - ✓ Effective logistics solution
 - ✓ Brownfield project with important infrastructure available
- An **environmentally friendly mine** with a product contributing to reduced environmental impact from steel production with products that are suitable for "**carbonless steelmaking**"
- High grade iron ore products are in strong demand, receiving **premium prices**
- Scalability: An exciting **expansion potential** with large synergies
- In spite of being a brownfield site we have the opportunity to build **the whole mine** from start using the **latest standards**, profiting from the ongoing technological revolution in **mining technology**